

Nabiullina Says WTO Bid Talks Now in 'Final Stage'

By The Moscow Times

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GENEVA — Russia is in the final stage of its 17-year bid to join the World Trade Organization and outstanding issues should be resolved in the coming months, Economic Development Minister Elvira Nabiullina said Tuesday.

The comments indicate that the largest economy still outside the 153-member WTO could join the body that regulates world trade in the course of 2011.

"This is the final stage of our accession negotiations," she told reporters.

Nabiullina said she would be in Brussels on Wednesday to discuss differences with the European Union, mainly the question of export duties levied by Russia on raw materials, with a view to settling them within a short time.

Talks with the United States in recent months had largely settled differences that had been

impossible to solve for years, she said.

U.S. backing for Russian membership, as part of a broader improvement in relations between Moscow and Washington, injected new momentum into Russia's bid in September.

But EU trade chief Karel De Gucht has said Russian export duties — which drive up the cost of inputs for European manufacturers such as the Nordic timber and paper industries — are so important that Brussels will not be hurried into a deal just to keep up the momentum for Russian membership.

Under WTO rules, candidate countries must reach bilateral agreements with any existing member that wants one, as well as with a working party representing the entire membership.

Nabiullina said Russia still had to tackle several multilateral issues.

Russia is due to hold negotiations with the working party in early December, and again in early 2011.

The outstanding multilateral issues, of interest to about a dozen countries, include the level of subsidy that Russia will pay its farmers — a sensitive topic as other WTO members try to cap agricultural support among themselves under the long-running Doha round.

Another topic is the tariff rate quota for beef — the amount that Russia will allow in under a special low tariff.

At some point Russia and other WTO members will also have to address Georgia's objections to Russian membership of the WTO.

Georgia says Russia cannot join the WTO because of its support for two breakaway regions following a brief war in August 2008. The support deprives Tbilisi of control of customs points on its internationally recognized frontier.

Under the WTO's system of decision by consensus, Georgia has an effective veto over Russian membership. It is allowing negotiations to proceed informally but is blocking formal steps.

Nabiullina was speaking after Russia, Kazakhstan and Belarus, which formed a customs union this year, launched free-trade talks with the four-member European Free Trade Association comprising Switzerland, Norway, Iceland and Liechtenstein.

The three customs union states will negotiate with EFTA as a single bloc but are pursuing membership of the WTO individually after abandoning efforts to join the WTO as one customs union.

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